

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0721-02
Bill No.: HB 216
Subject: Military Affairs; Veterans.
Type: Original
Date: January 26, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Veterans' Commission Capital Improvement Trust	(\$193,466)	(\$46,026)	(\$47,576)
Total Estimated Net Effect on Other State Funds	(\$193,466)	(\$46,026)	(\$47,576)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Veterans Commission** assume the proposal will not fiscally impact their agency.

Officials from the **Office of the Adjutant General (OTAG)** state this proposal extends the World War II and Korean War Veteran recognition program with no application deadline. Under current law, the application deadline for processing WWII applications was June 30, 2004 and January 1, 2005 for processing Korean War applications. The proposal also adds eligibility for awards to veterans who entered or were discharged from military service as Missouri residents.

Demographics furnished by the Veterans Commission (Dec. 2002) reflect 81,016 Korean War Veterans and 91,546 WWII Veterans living in Missouri. As of January 18, 2005, 43,170 WWII awards and 13,321 Korean War medals have been issued. OTAG does not have data as to the number of spouses and eldest living family members who may apply on behalf of deceased WWII and Korean War Veterans.

With the changes in this proposal, OTAG projects the need for current program staff, three FTE, will be retained through July 1, 2006 and then one full time staff and one contract staff person will be retained (FY 2007 and beyond). OTAG assumes a cost of \$206,393 in FY 2006, \$46,026 in FY 2007 and \$47,576 in FY 2008.

ASSUMPTION (continued)

The current program is funded from Veterans Commission Capitol Improvement Trust Fund (VCCITF), but the spending authority will lapse on June 30, 2005. OTAG assumes the funding source for this proposal will also be the VCCITF, as the proposal does not indicate a funding source. If VCCITF funds remaining from the \$818,593 appropriated for FY 2005 are reappropriated for FY 2006, FY 2007 and FY 2008 the OTAG does not anticipate the need for any additional funding.

Oversight assumes that OTAG will administer this program with the employees and necessary supplies as estimated by OTAG.

Oversight also assumes any unutilized balance of the \$818,593 appropriation from FY 2005 could cover at least some of the additional costs resulting from this proposal. However, making the FY 2005 surplus available to be used in subsequent fiscal years would have to be executed through reappropriation budget decisions and Oversight has reflected the fiscal impact to the Veterans Capital Improvement Trust Fund as the actual anticipated cost of the proposal.

Oversight also assumes without an emergency clause, OTAG will not incur expenses from this proposal until August 28, 2005, or 10 months of FY 2006. Oversight has adjusted OTAG's cost estimate for FY 2006 to reflect this assumption.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST			
<u>Costs</u> - Adjutant General's Office for the Korean Conflict Medallion Program			
Personal Service	(\$53,074)	(\$21,748)	(\$22,835)
Fringe Benefits	(\$22,642)	(\$9,278)	(\$9,741)
Expense and Equipment -	(\$80,250)	(\$15,000)	(\$15,000)
Medals, Medallions and Certificates	<u>(\$37,500)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs</u> - Adjutant General's Office	<u>(\$193,466)</u>	<u>(\$46,026)</u>	<u>(\$47,576)</u>
ESTIMATED NET EFFECT TO THE VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST			
	<u>(\$193,466)</u>	<u>(\$46,026)</u>	<u>(\$47,576)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

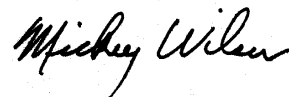
This proposal allows a veteran of World War II or the Korean War to receive a medallion, medal, and certificate of appreciation if he or she was a Missouri resident at the time of entering or being discharged from military service, regardless of whether or not the veteran is currently a Missouri resident.

The proposal also deletes the application deadline dates for both programs.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Missouri Veterans Commission
Office of the Adjutant General



Mickey Wilson, CPA
Director
January 26, 2005